



JOHN NAIMO  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

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TO: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: John Naimo   
Auditor-Controller

SUBJECT: **DEPARTMENT OF HEALTH SERVICES – ASSET VALUATION  
SERVICES AND ANNUAL REPORTS SPECIAL STUDY – FISCAL  
YEAR 2013-14**

The County of Los Angeles Board of Supervisors operates, through its Department of Health Services (DHS), a network of medical centers, comprehensive health centers, multi-service ambulatory care centers, community health centers, juvenile facilities, and school-based clinics, all of which provide health care services to the public in geographic locations covering over 4,000 square miles.

DHS is required to report the cost bases and related depreciation for DHS facilities and other County health care-related facilities in their annual financial reports, including financial statements, and cost reports for the Medicare and Medi-Cal programs.

At DHS' request, we contracted with an independent valuation and consulting firm, Huron Consulting Group (Huron), to provide health care asset valuation and reporting services, including depreciation calculations for health care-related facilities for Fiscal Year 2013-14.

### **Review Summary**

Huron issued valuation reports for the following DHS Networks:

- LAC+USC Healthcare Network
- Metrocare Network – Coastal
- Metrocare Network – Southwest
- Rancho Los Amigos National Rehabilitation Center
- Valleycare Network – San Fernando Valley
- Valleycare Network – High Desert
- Health Services Administration

Each report contains valuation related data such as acquisition dates, costs, estimated lives, and depreciation for various types of DHS assets (e.g., building, equipment, etc.), acquired prior to June 30, 2014. Huron indicates that the results reported in the valuation reports conform to Medicare regulations and requirements.

### **Review of Report**

Due to the number of detailed valuation schedules and reports, copies of the individual reports are not attached, but are available for review. If you have any questions or would like to review any of the reports, please call me or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:PH:RS:YK

c: Sachi A. Hamai, Chief Executive Officer  
Mitchell H. Katz, M.D., Director, Los Angeles County Health Agency  
Public Information Office  
Audit Committee